

Tailor-made: Improving adult careers services in London

June 2013



Economy Committee Members

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Fiona Twycross (Deputy Chair)	Labour
Tony Arbour	Conservative
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The Economy Committee agreed the following terms of reference for this investigation on 13 December 2012:

- to determine the characteristics of high quality, evidence-based adult careers guidance services;
- to assess the current provision of adult careers guidance in London; and
- to consider any strategic opportunities to support adult careers guidance across London.

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Foreword

London's employers report that almost 1 in 6 vacancies are due to skills shortages – a worrying figure given the current rate of unemployment. So it is not surprising there are on-going concerns about this shortfall acting as a barrier to both individuals' and businesses' advancement in the capital.

Careers information, advice and guidance should play a key role in helping Londoners to develop sustainable careers. However, our inquiry found that the available services fall far short of what Londoners need, especially for older Londoners, working parents and people in low-paid work who want to get a better job and then a career.

By reviewing data on international comparators such as Australia and Canada and also UK experience in Belfast and Liverpool, we have identified the key characteristics required of a first rate effective adult careers guidance service:

- a clear idea of what services offer;
- tailored support according to individual needs;
- up-to-date local labour market information;
- co-ordinated engagement with local employers; and
- accountability of providers' performance.

We must ensure that money spent on this vital service has the biggest impact. We recommend change at both the commissioning and operational levels. We want to see a tailored service for those individuals in key priority groups where support can be quickly translated into career development.

A recently unemployed 50 year old man who is at high risk of long term unemployment needs one kind of advice and assistance. A woman returning to work and looking for career progression whilst balancing demands from work and family will need something different. A low-paid worker trying to get on in life will again have different expectations. Specifically designed careers services for such people would represent a more effective use of the careers services' inevitably limited funds.

Londoners deserve and expect a world-class careers guidance service. Our report recommends practical steps towards achieving this. In particular, we call on the Skills Funding Agency and London Enterprise Panel to take the lead in bringing this vision to fruition. Robust evidence from elsewhere demonstrates the clear values of leadership in championing innovative practice: these two bodies need to show this can be achieved in the capital.

Andrew Dismore AM
Economy Committee

Executive summary

London's economy is currently hampered by skills shortages and the demands of the London labour market are changing. Labour market projections indicate that Londoners need to be better advised on sustainable careers.

The National Careers Service providers across London offer face-to-face advice to adults to help them to develop their careers. The core aims of adult careers services are to provide accessible, impartial and up-to-date information on the London labour market, and to support people to be adaptable and to develop resilience in a fast-changing economy.

However, the Committee heard how providers face a number of obstacles preventing them from having the best impact with their limited funding.

Local bodies and organisations should shape the commissioning, prioritisation and evaluation of adult careers services in London. However, the GLA, London Enterprise Panel (LEP), employers and voluntary and community sector do not currently have a sufficient role in this process.

Furthermore, a lack of local and regional up-to-date labour market information and weakened employer engagement hamper services. This results in a lack of understanding of the needs of London's economy and confusion and disengagement of employers.

Additionally, when examining the way that resources are targeted to certain groups, the Committee identified a lack of tailoring of services, including for people aged 50+, low-paid people, parents and women. These groups face particular challenges in developing their careers, yet services are currently not able to address needs. Careers services in London could learn from a number of good practice examples of working with these groups.

This report focuses on two specific challenges: how to improve the way the service is commissioned and how to ensure the service provided best meets the needs of different Londoners.

A vision for careers services in London

Addressing these two challenges forms the basis of the Committee's vision for careers services. We believe that careers services could both better reflect the needs of Londoners and provide tailored support to certain groups identified by the Committee as being disadvantaged under the current framework. The elements of this vision are outlined below.

Reflecting the needs of Londoners, London's economy and its employers

- The London Enterprise Panel and London government should have a clear role in the commissioning, design and evaluation of careers services. The LEP, GLA and SFA should work together to establish this through a formal recognition of the LEP's role and specific action by the LEP to champion Londoners' needs.
- Careers services should produce up-to-date borough level labour market information (LMI). This would be updated on a monthly basis and utilised alongside regional and national LMI.
- There should be co-ordinated contact with employers. This would take place across the careers guidance and employment support sectors and be tailored according to the size of business to maximise engagement, especially with SMEs.

Better targeting and tailoring of support for Londoners

- There should be tailored support for 50+ people, low-paid people, working parents and women. Funding and resources should be identified and focused on offering tailored support for these groups. The LEP should act as a champion for this and providers should develop their services according to evidence of best practice.
- Careers services should make a clear offer to individuals, employers and partner organisations. All parties should have a good understanding of the role of the National Careers Service and the support offered to individuals and employers.
- Careers service providers should have the flexibility for providers to prioritise resources where careers services can have the most impact. Providers should be able to respond to individual needs, and apportion face-to-face guidance according to individual needs, rather than fit services within a rigid prioritisation process.
- Careers services should be subject to greater transparency of performance with regular service user and employer evaluation of the service. Information on provider performance should be regularly published. Providers should also publicly set out their response to feedback from service users and employers.

This report sets out practical steps that should be taken by the Skills Funding Agency (SFA) and London Enterprise Panel (LEP) as the SFA commissions the next iteration of the adult careers service. Ofsted and the National Careers Council should also have a role in monitoring progress.

1. Introduction

The role of careers advice services

- 1.1. London employers face continued challenges to fill vacancies in the face of skills shortages. Employers have attributed 15 per cent of all vacancies in London to skills shortages.¹ They have also reported that almost half (46 per cent) of hard-to-fill vacancies are caused by the low number of applicants with the right skills and 13 per cent by a lack of the desired qualifications.² While larger employers have noted a reduction in skills gaps, mid-sized employers (25 -199 staff) have reported an increase in skill shortage vacancies since 2009,³ presenting a continued problem for this significant section of the London economy.⁴
- 1.2. Furthermore, the number of higher level occupations will significantly increase over the next decade (2010-20). This rise will include professional occupations, associate professional and technical occupations, managers, directors and senior officials, all of which require advanced qualifications.⁵
- 1.3. Effective all-age careers information, advice and guidance (IAG) services should play a vital role in supporting individuals to develop their careers by alerting people to new opportunities and by providing the right information and support on skills development. This support will help to address skills gaps and mismatch in London's workforce, particularly in relation to hard-to-fill vacancies, and boost the capital's economy. The right advice can also help to reduce the drop-out rate from education and training, maximising the impact of government funding for adult skills provision.⁶
- 1.4. Adult careers services have significant potential to reach a large number of Londoners. Providers work out of a number of locations including Jobcentre Plus, FE colleges, community, faith and children's centres and libraries. .

¹ UKCES (July 2012) UK Commission's Employer Skills Survey 2011: England Results, Evidence Report 46, 139

² UKCES (July 2012) UK Commission's Employer Skills Survey 2011: England Results, Evidence Report 46, 113

³ UKCES (July 2012) UK Commission's Employer Skills Survey 2011: England Results, Evidence Report 46, 36

⁴ Medium-sized businesses provide 9.3% of employment in London. Source: BIS (December 2012) Business Population Estimates

⁵ Source: UKCES Working Futures 2012

⁶ Annual government funding for Skills Funding Agency commissioned adult skills provision in London is approximately £550m.

- 1.5. However, the resources available to adult careers services are limited and the value added is not always clear. Groups we spoke to are broadly agreed that the National Careers Service in London suffers from low public awareness,⁷ historical under-investment⁸ and a mixed record of employer engagement. This review therefore considers the case for change in how the service can be best directed to support both individuals and London's economy.

The National Careers Service

- 1.6. In recent years, careers services have been significantly reformed. The National Careers Service (NCS) delivers statutory support for adult careers services.⁹ NCS combines online, telephone and face-to-face support for adults, with online and telephone careers support available to young people. There are a number of organisations involved in delivery of the NCS adult careers provision.
- The Skills Funding Agency (SFA) is responsible for commissioning the different elements of the NCS.
 - Regional prime contractors are commissioned by the SFA to deliver the local elements of the NCS, including face-to-face guidance for adults. Prospects is the current prime contractor in London.
 - Prospects then contracts with 43 different sub-contractors across London to deliver face-to-face guidance on a one-to-one or group basis. Sub-contractors include private, voluntary and statutory organisations and some London boroughs and FE colleges.
 - Ofsted inspects the NCS prime contractors.
- 1.7. The annual budget for the elements of the service delivered by Prospects and its sub-contractors in London was approximately £10.5m for 2012/13, and is just under £11m for 2013/14.
- 1.8. The SFA is currently developing the procurement round to deliver the National Careers Service from April 2014. The SFA has been consulting on ways to address some of the shortfalls under the current arrangements. This consultation presents a clear opportunity for adult careers services to be better-configured to meet the needs of Londoners and our report is designed to support that process.

⁷ At the Economy Committee meeting on 22 January 2013 the Deputy Mayor for Economy and Enterprise described adult careers advice as 'the best kept secret'.

⁸ The review heard how the level of funding makes it difficult for providers to run a viable service. The current budget for adult careers services is relatively small. Providers are currently paid £46 per face to face sessions and £20 per 'outcome'.

⁹ BIS (April 2012) The right advice at the right time, 5

How we conducted this investigation

- 1.9. The Committee's investigation into adult careers information, advice and guidance sought to identify the characteristics of a high quality careers service. We aimed to assess how much the current provision of careers services in the capital reflect these characteristics, identifying what action could be taken by the Mayor, London Enterprise Panel and other partners to strengthen this important service.
- 1.10. To support us in our work, we commissioned a literature review of comparable UK, EU and international examples from Dr Deidre Hughes OBE, a leading academic expert in youth and adult careers policy, research and practice.¹⁰ We also heard from a number of stakeholders and experts and received 14 formal written submissions. Stakeholders included representatives of national and local government, careers advice and employment services providers, business, third sector organisations and trade unions. Appendix 1 includes further information about evidence submitted to the review.

¹⁰ Dr Deidre Hughes OBE (March 2013) National, EU and international literature review: adult careers information, advice and guidance (published alongside this report)

2. Barriers to effective careers services in London

- 2.1. Our review has focused on two specific challenges: how to improve the way the service is commissioned; and how to ensure the service provided best meets the needs of different Londoners.

More effective commissioning for adult careers services

- 2.2. The Committee heard about a number of components that contribute to good commissioning of careers services in London. This review highlighted the need to consider how the service will maximise understanding of London's labour market, foster engagement of local employers and allow a meaningful role for London Government.

Understanding London's labour market

- 2.3. The core aims of adult careers services are to provide accessible, impartial and up-to-date information on the London labour market, to support people to be adaptable and to develop resilience in a fast-changing economy. Labour market information (LMI) should provide the right directions for individuals and advisors to understand more immediate but also longer-term career opportunities, so that they can map out a sustainable learning and work plan. To be most effective LMI should include local, regional and national information and generate an understanding of future growth or decline in specific sectors or job roles.
- 2.4. However, our review heard that a lack of local and regional up-to-date LMI severely weakens careers services in London.¹¹ As the NCS prime contractor for London, Prospects is required to gather and disseminate labour market information (LMI) to providers across London. However, it is hampered by barriers to effective information sharing, including competing targets and commercial interests for those trying to place people in work. This situation is to the detriment of Londoners and those trying to advise them on the current and future labour market.
- 2.5. We heard concerns that LMI provision is not sufficiently taking account of the longer term career opportunities in the capital. The science and

¹¹ Economy committee (April 2013) Adult careers information, advice and guidance: Summary of views and information, 11

technology, information and communication and green and low carbon sectors are key areas that should be taken into account.¹²

- 2.6. A number of initiatives are in development that aim to address the shortfall in LMI. The UK Commission on Employment and Skills (UKCES) is developing the *LMI for All* project, which aims to provide comprehensive national and regional LMI to providers and advisors. The regional information should cover the hardest to fill and most in demand job roles in the area. The Government also recently announced piloting of local monthly LMI scorecards.¹³ Additionally, as part of the new contract for adult careers services from 2014, prime contractors will be required to manage the local pages of the NCS website, which could incorporate these scorecards. The GLA and London LEP have offered to support provision of LMI via the London Datastore, the central source of data and information for London.¹⁴ These are welcome initiatives but it will be essential to co-ordinate them to maximise impact and avoid duplication.

Local employer engagement

- 2.7. To be effective careers services must have the support of local employers. Employers are more likely to engage in activities that avoid duplication and provide access to a larger field of potential candidates.
- 2.8. However, our review heard how employers have to deal with un-coordinated contact with a number of different employment and skills agencies and programmes. As a result, employers are confused and disengage.¹⁵ There is also a risk that careers services, impeded by low public awareness, find it hard to establish a relationship with employers in the context of a plethora of competing agencies seeking job vacancies and training opportunities.
- 2.9. To tackle this problem, the Liverpool City Region has produced a labour market information strategy and Skills for Growth Agreements for key skills sectors. These include the low carbon, SuperPort, visitor economy and knowledge economy sectors. Co-produced by the public and private sector, these agreements provide a framework for developing and aligning training provision with employer and individual needs.
- 2.10. In Northern Ireland a high level strategic steering group has been established to oversee and guide the implementation of the key areas of

¹² Transcript of Economy Committee meeting, 19 March 2013

¹³ Department for Education and Department for Business Innovation and Skills (April 2013) Rigour and responsiveness in skills, 39

¹⁴ <http://data.london.gov.uk/>

¹⁵ Note of informal meeting with the CBI, 4 February 2013

strategy for careers services. The group includes representatives from government, business and the inspectorate. The group also takes account of the objectives of a number of cross-departmental strategies covering poverty, welfare reform and social exclusion.

- 2.11. The absence of strategic employer engagement in London led Careers England and other organisations to advocate a city-wide approach to employer engagement activity. We welcome that call.

The role of London Government in commissioning adult careers services

- 2.12. A number of organisations are well-placed to advise on the needs of Londoners in shaping the commissioning, prioritisation and evaluation of adult careers services in London. The GLA, London Enterprise Panel (LEP), employers and voluntary and community sector are key organisations to provide this advice. In particular, the National Careers Council has highlighted the benefit of concrete action by LEPs to improve performance of the NCS.¹⁶ However, evidence to our review indicates that they are currently insufficiently involved.¹⁷
- 2.13. The London LEP recently published its strategy for jobs and growth in the capital.¹⁸ The strategy aims to improve careers guidance in London as part of a drive to improve knowledge and skills in the workforce. This strategy outlines objectives to support joint working between key agencies to develop a much stronger London-wide careers service. This includes developing integrated career pathway and job vacancy information and delivering an annual jobs and careers fair in partnership with London First. The LEP is expected to publish a full implementation plan for these objectives in the autumn.
- 2.14. The Committee recognises that the SFA is taking specific action to increase the GLA and LEP's role as part of the next iteration of the NCS and in shaping the contract tender for the London service. Furthermore, a process is currently underway to achieve the Government's aim that the priorities of Local Enterprise Partnerships (LEPs) should be reflected in the NCS from July this year.¹⁹

¹⁶ National Careers Council (June 2013) An aspirational nation: Creating a culture change in careers provision, 30

¹⁷ Transcript of Economy Committee meetings, 12 February 2013 and 19 March 2013; Economy committee (April 2013) Adult careers information, advice and guidance: Summary of views and information, 3

¹⁸ London Enterprise Panel (April 2013) Jobs and growth plan for London

¹⁹ Department for Education and Department for Business Innovation and Skills (April 2013) Rigour and responsiveness in skills, 14

2.15. The Committee heard differing views on the extent to which the National Careers Service should be devolved to London, as a means of addressing this deficit. A number of stakeholders supported the nationally commissioned service structure, but suggested that the LEP and GLA should be more closely involved in shaping the local specification for the service and measuring its success in London.²⁰ Others suggested that a more radical localisation of the service was needed as suggested by Lord Heseltine in his recent growth review.²¹ Our expert consultant Dr Deirdre Hughes stated that “shifts towards more localised provision such as Local Enterprise Partnerships highlight the necessity of both a national careers framework, supported by local partnership approaches to reduce confusion and duplication in training and resources, especially LMI and ICT developments, and to raise quality standards. A London-wide careers strategic steering group could assist the GLA and LEP in their employer engagement and industrial strategy plans.”

We conclude that careers services in London should:

- More accurately reflect the needs of Londoners by ensuring that there is a clear role for the London Enterprise Panel and London government in the commissioning, design and evaluation of the service. The LEP, GLA and SFA should work together to achieve this.
- Ensure that providers and other agencies have access to current borough-level labour market information. This should be updated on a monthly basis and utilised alongside the *LMI for All* open source data.
- Co-ordinate contact with employers across the careers guidance and employment support sectors. This should be tailored according to the size of business to maximise engagement, especially with SMEs.

²⁰ Transcript of Economy Committee meetings, 12 February 2013 and 19 March 2013

²¹ The Rt Hon the Lord Heseltine of Thenford CH (October 2012) No stone unturned, 166

Better targeting and enhanced tailoring of careers services

- 2.16. While the website and telephone service are universally accessible, face-to-face guidance is rationed to one session per year. Only certain priority groups are entitled to a maximum of three face-to-face sessions per year. The Committee has heard concerns that this level of support for those furthest from the labour market, and with the most intense needs, may be inappropriate. As the Child Poverty Alliance highlighted in their evidence to us “a careers advice website will help many people who are actively seeking support, but for anyone with more complex needs, more intensive support is required. Voluntary and community sector organisations report, for example, that a limited run of three short advice sessions is not enough for homeless people, and that individualised support over the longer term (based on a thorough initial assessment of need) would be far more effective in improving motivation and sustaining employment.”
- 2.17. Therefore, access to the face-to-face element of the service should be apportioned in the most effective way: to those with less intense needs, whom the NCS can support effectively to develop their career management skills.
- 2.18. Duplication of referrals is another way that resources are misplaced. This duplication occurs when people who have already been referred for face-to-face guidance from one provider are then referred in the same financial year to another provider. As a result service users go through a repeated process and providers cannot claim for the cost of the intervention.²² We were told that such duplication is likely to be an issue specific to London, due to the high number of providers and density of population. Prospects, as the prime contractor for London, expressed concern at high levels of duplication and has committed to addressing the problem.²³

Meeting the needs of specific groups

- 2.19. NCS providers are currently funded according to their ability to target a number of priority groups. The groups are decided at both a national and local level. National priority groups for the service are people without basic skills, people facing redundancy and people with learning difficulties or disabilities. Local priority groups for London are people from the 20% most deprived wards, offenders on probation in the community, people aged 19-24, and people in employment (to foster in-work progression). Provider performance and adjustment of funding by the SFA is assessed according to

²² Note of informal meeting with a group of NCS sub-contractors, 5 March 2013

²³ Transcript of Economy Committee meeting, 19 March 2013

how well these targets are met rather than providers' ability to tailor services for these groups.

- 2.20. During the course of the review, we heard concerns that despite specific targets being in place for providers, services are not effectively tailored to those groups. Indeed a disproportionate focus on targets appears to put provision of tailored services at risk. The rigid structure requires providers to deliver a certain amount of face time to certain groups but providers report that it does not allow them to tailor their services to these groups.²⁴
- 2.21. Evidence to this review highlighted barriers and shortfalls in relation to a number of groups linked to age, employment status, gender, disability and ethnicity. The investigation found that in London there is, in particular, a distinct lack of tailored careers support for people aged 50+, low-paid workers, and those returning to work, including parents and women. These groups are not specifically targeted as part of the current prioritisation framework either.

50+ people

- 2.22. There are two key drivers for the need for careers services for people aged 50+.
- 2.23. The first is the need for individuals to progress and adapt as they age. Research cited by Age UK London found that nearly three times as many 50+ workers wish to progress their careers than wind up for retirement.²⁵ Indeed the removal of the default retirement age has highlighted the need for more explicit careers guidance for older workers to support them to stay in work. Dr Hughes' research also highlighted the potential for significant cost-benefit advantages in offering mid-career workers career guidance in order to maintain career adaptability. Indeed, in France this need is recognised by a statutory entitlement to a career review at 47. As Chris Walsh, Wise Owls, noted "You need a lot of specialist trained support for the 50 plus and, unfortunately, the reality is that it has been decimated...There are very few specialist 50 plus advisors."

²⁴ When considering the needs of different groups, it is vital to consider targeting and tailoring as separate concerns. "Targeting" is about ensuring different groups access a service i.e. come through the service's door or access their website, whereas "tailoring" is focused on providing a service that is able to meet individual needs i.e. meeting individual needs once someone is in contact with a service.

²⁵ Smeaton D et al (2009) Older workers' employment preferences, barriers and solutions, EHRC

- 2.24. The second driver of the need for specialised guidance is the specific challenge of redundancy or unemployment for this group. 50+ jobseekers face serious difficulties in moving into or returning to work, particularly those facing unemployment for the first time. Over 40 per cent of unemployed people aged 50+ and in receipt of Jobseeker's Allowance stay on the benefit for over 12 months.²⁶ This is the highest proportion for any age group.
- 2.25. Guidance in these situations must take account of the multiple challenges faced by some groups. For example, there is also a mismatch between the sectors where the majority of older women currently work and where jobs growth will be over the next 5-10 years. Public administration is projected to shrink and the education and health sectors have little projected growth.²⁷
- 2.26. Age discrimination persists as a key barrier for older people. For example, the think tank Policy Exchange submitted otherwise identical dummy CVs for 1,200 jobs, half from people aged 50+ and half from people aged under 25; the under 25s had double the number of positive responses.²⁸
- 2.27. But older people aren't always able to access the help they need. Data for the number of people aged 50-65 accessing the National Careers Service in London indicate that people aged 50+ are under-represented in the client caseload. While this age group make up 21.5 per cent of the adult working age population (defined as 18-65 years), just 14.4 per cent of the NCS caseload for 2012/13 were from this age group.²⁹
- 2.28. Karl Murray from BTEG noted that "certainly one of the issues around the promotion and also the perception around the promotion, or driven by the promotion, is that it is geared for young people." People over 50 require tailored support to assist them as they address unemployment and age discrimination. They need support in addressing emotional barriers such as low motivation or anger. They also need guidance to understand the possibilities presented by transferability of skills, changing sector, different working patterns, self-employment or starting a business. We heard of a number of examples of good practice in tailoring careers support for older workers including in Victoria State, Australia where the Experience+ Corporate Champion programme supports employers to both recruit and

²⁶ DWP (April 2013) Regional Labour Market: HI07 - Headline Indicators for London

²⁷ Women's Business Council (2012) Staying on evidence paper, 4

²⁸ Policy Exchange (June 2012) Too much to lose: Understanding and supporting Britain's older workers, 43

²⁹ Client caseload data provided to the Economy Committee by Prospects in April 2013

retain staff over 45. Advice and guidance includes career planning, positive age management and mentoring.³⁰

- 2.29. Our consultant concluded therefore that “research findings on mid-career changers broadly indicate changing expectations of how long people will work and the challenges of an ageing workforce. In such circumstances, there could be significant cost-benefit advantages in offering mid-career workers career guidance that could extend the length of their careers...Those who do not engage in substantive up-skilling or re-skilling, through either formal learning or learning in work, run the risk of being 'locked into' a particular way of working and are more vulnerable in the labour market if there is a significant change in their job or their circumstances. That is, career adaptability can either stall in its development or decay.”

Low-paid workers

- 2.30. In London there are 1.1m children and adults living in poverty in households where at least one person is in work.³¹ Effective careers services can support individuals' career advancement, preventing them from becoming 'locked into' low-paid employment and helping a household to move out of in-work poverty. This potential differentiates careers services from other employment programmes, which can focus on people getting into any kind of employment.
- 2.31. Our review found that adult careers services currently place inadequate emphasis on advancement, particularly for people in low-paid employment. As Stephen Evans, from Working Links noted “we have lost sight of the advancement part which is particularly critical if you look at somewhere like London where we have got such a high prevalence of low-paid work and we need to help people to progress onwards.” Our expert consultant found in her research that “new strategies are needed to ensure a growing number of individuals, particularly those in low-paid work, do not find themselves marginalised and are able to advance their careers.”
- 2.32. Other countries are adopting new strategies to help low-paid people advance in their careers. For example, Iceland's *Guidance and Counselling in the Workplace* programme specifically targets people with little formal education.³² Careers counsellors provide group and individual support for

³⁰ <http://deewr.gov.au/experience>

³¹ <http://www.londonpovertyprofile.org.uk/indicators/topics/income-poverty/child-and-adult-poverty-and-work/>

³² http://www.programkontoret.se/Global/Engelsk%20webbplats/Grundtvig%20Conference/Sigridur_Dis%C3%A5_Gunnarsdottir.pdf

employees in their own workplace or a local careers centre. There is evidence that this has prompted an increase in self-referral to careers services among the target group.

- 2.33. The current local priorities for the National Careers Service include the target of 15% of clients being in employment. However, this does not prioritise those in low-paid employment, nor necessarily lead to any tailoring of support for this group.

Working parents

- 2.34. The London labour market presents some particular difficulties for working parents, particularly for women returning to work after a break for raising children. The exceptionally high cost of childcare in the capital is a major barrier to employment. Furthermore, people in London tend to work longer hours and have longer commutes than people elsewhere. These inter-related factors lead to a situation where many parents on low to middle incomes find that working is simply unaffordable.
- 2.35. As a consequence, London has the lowest level of maternal employment in the country; just over half of London mothers with dependent children work, compared to almost two thirds across the UK.³³ In London, over half of lone parents are out of work, compared to 38% in the UK as a whole.³⁴
- 2.36. The Women's Business Council recently highlighted a number of concerns regarding women's employment and career progression. Nearly half of women working part-time are over-qualified for their job and a rising proportion of women in part-time jobs want to work full-time.³⁵
- 2.37. Evidence presented to the Committee highlighted how the National Careers Service is not currently meeting the needs of parents. In particular, the service is falling short for those trying to move into employment, returning from a break in employment or in low-paid work. Our work has identified a particular deficiency in support for women. Engaging this group is a significant challenge for services; working parents will have limited capacity to engage in career progression when they are focused on managing the balance between working and family life. As Kate Bell from Child Poverty Action Group noted "it is really hard to engage with people, particularly busy parents, once they have got a job because once you have got a job you are thinking, "How do I manage my job?" not, "How do I manage my next job?"

³³ GLA Economics (2010) Women in London's Economy: 2010 Update

³⁴ www.londonpovertyprofile.org.uk/indicators/topics/work-and-worklessness/lone-parent-employment-rates

³⁵ Women's Business Council (2012) Getting on and branching out evidence paper, 5-6

2.38. More widely, polling of 1,289 women by Women Like Us in 2012 concluded that women perceived a lack of advice and support at the point of returning to work after having a child. Key findings include:

- 71% had either never received careers advice or had last received it at school or university;
- 6 in 10 (61%) said their career-based decisions had changed significantly since having children.

Our review covered a number of examples of good practice of parental engagement in careers services. Women Like Us had been funded to pilot careers advancement advice, targeting parents and carers in South London, offering in-depth guidance, particularly on managing work and family life.³⁶ The Canadian Career Development Foundation (CCDF) offers targeted parent workshops and seminars on how the world of work has changed over the last decade.³⁷

We conclude that careers services in London should:

- Provide tailored support for 50+ people, low-paid people, parents and women. Funding and resources should be identified and focused on offering tailored support for these groups. Providers should be equipped to meet the specific needs of these groups. Providers should develop their services according to evidence of best practice of working with these groups.
- Make a clear offer to individuals, employers and partner organisations. All parties should have a good understanding of the role of the National Careers Service and the support offered to individuals and employers.
- Allow providers the flexibility to prioritise resources where careers services can have the most impact. Providers should be able to respond to individual needs and apportion face-to-face guidance according to individual needs, rather than fit services within a rigid prioritisation process.

³⁶ Transcript of Economy Committee meeting, 12 February 2013

³⁷ <http://www.ccdf.ca/ccdf/>

More effective performance management

- 2.39. There is currently a lack of transparency of adult careers services' performance. Too little information is gathered and too little is made available publicly. This results in reduced accountability.
- 2.40. The SFA is currently planning to improve the data collection for the NCS. However, as Stephen Evans from Working Links explained, we do not know if Prospects is performing better or worse than other contractors in part because the data are not published. Chris Walsh from Wise Owls championed openness in the ability of contractors to deliver contracts. This transparency would include publishing the outcomes for services, however uncomfortable it may be for the contracting authorities or providers.
- 2.41. Ofsted would be able to role inspect the National Careers Service more effectively if it had access to better quality data. This particularly applies to inspecting the support available for the specific groups we highlight. Some of the specific concerns identified during our review fall under the equality and diversity aspect of inspections, but are also within the remit of the three principal areas of inspection – outcomes for learners; quality of teaching, learning and assessment; and effectiveness of leadership and management.³⁸
- 2.42. Furthermore, service user evaluation of the service needs to move beyond a survey of customers and engage users in meaningful detailed ways. UKCES has identified service users being able to drive change to services as a key characteristic of effective careers service design.³⁹ Dr Hughes argues that services should adopt consultative user forums. In the Nordic countries, service users have an active role in improving services.⁴⁰

We conclude that careers services in London should:

- Ensure regular service user and employer evaluation of the service. Providers should publicly set out their response to this feedback.

³⁸ Ofsted (2013) Additional guidance on inspecting the National Careers Service from September 2012

³⁹ UKCES (August 2011) Helping individuals succeed: Transforming career guidance through technology, 5

⁴⁰ Vilhjálmsdóttir G et al (2011) Voice of users: Promoting quality of guidance for adults in the Nordic countries

3. Recommendations

The Committee recommends the following steps be taken by key agencies to improve all-age careers service provision in London. These recommendations cover the design, procurement, implementation and inspection of the next iteration of the National Careers Service.

Recommendation 1: the London Enterprise Panel

The London Enterprise Panel (LEP) should set out in this autumn's implementation plan how it will champion effective adult (and young people) careers services in London.

The LEP's Employment and Skills Working Group⁴¹ is the right body to champion careers information, advice and guidance in London. The LEP membership of employers and key public sector agencies are well placed to assess the level of current provision and champion improvements. The LEP's implementation plan for the Jobs and Growth Plan for London should set out concrete actions to improve performance. These should include:

- championing the key characteristics of an effective all-age careers service as part of contact with key agencies, particularly during the commissioning of the next iteration of the National Careers Service and its delivery from April 2014;
- regular reviews of the performance of all-age careers services as part of the planned bi-annual Skills and Employment Working Group panel summits;
- targeted outreach and tailored content for the planned annual jobs and careers fair to attract and meet the needs of people aged 50+, low-paid people, parents and women; and
- ensuring growth areas in London, including science and technology, information and communication and the green and low carbon sectors, are covered by providers and sources of labour market information.

⁴¹ <http://www.london.gov.uk/priorities/business-economy/london-enterprise-panel/priorities/skills-employment?destination=node/31106/edit>

Recommendation 2: the Skills Funding Agency

The SFA should take the following actions to increase the effectiveness of all-age careers services in London, to ensure they provide tailored support and to enhance accountability.

By September 2013 the SFA should set out the formal role of the London Enterprise Panel (LEP) in shaping careers provision in a formal document such as a formal Memorandum of Understanding.

The document would include a role for the LEP in:

- amending and formally reviewing the specification for the contract for local delivery of the National Careers Service (NCS);
- assessing tenders for the local delivery of the NCS in partnership with the approved prime contractor; and
- identifying local skills and growth priorities in partnership with the NCS prime contractor.

By September 2013 the SFA should set out how the piloting of labour market information monthly scorecards will reflect the labour market at a borough-level.

This will involve co-ordinated engagement with the London Enterprise Panel, London boroughs, London Councils, key agencies and employers to create comprehensive and up-to-date information.

From April 2014, the SFA should allow providers greater flexibility in dividing resources according to individual needs and where an intervention will have most impact.

This would move services away from less meaningful targeting of specific groups to a model of tailoring services according to individuals' needs. This would lead to better support for people aged 50+, people in low-paid work, parents and women. The Committee recognises that the SFA is already engaging with this challenge.

From April 2014, the Skills Funding Agency should publish quarterly information on National Careers Service providers' performance. The data should allow cross-referencing of datasets to better understand the characteristics of service users and impact of interventions.

The SFA should already be collecting this information for its own use, but should also make it public. This would address the paucity of publicly available information on providers' performance fostering greater accountability. This information should include data on the characteristics of those accessing the service and their outcomes, including people aged 50+, low-paid people, parents and women.

This would both allow LEPs, employers and the wider employment support sector to have a better understanding of the role and value of careers services, as well as highlight areas of strong and weak provision.

Recommendation 3: Ofsted and the National Careers Council

With immediate effect, Ofsted should inspect careers service provision for people aged 50+, low-paid people, parents and women during its inspection visits and monitoring of the National Careers Service prime contractor in London. The National Careers Council should champion a focus on the needs of these groups.

Ofsted should proactively seek information on the level and quality of support available to these specific groups during both inspection visits and other monitoring.

The National Careers Council should monitor progress and feed their findings into relevant Strategic Advisory Groups at a national and pan-London level.

Appendix 1 – Evidence base

Written submissions

1. Age UK London
2. Black Training and Enterprise Group (BTEG)
3. London Child Poverty Alliance
4. CfBT Education Trust
5. Prospects
6. Careers England
7. Department for Business, Innovation and Skills (BIS)
8. Child Poverty Action Group (CPAG)
9. Skills Funding Agency (SFA)
10. Ofsted
11. Unionlearn
12. Unison
13. Wise Owls
14. London Voluntary Service Council (LVSC)

Public comments

The Committee received 2 submissions from members of the public.

Committee meetings

12 February 2013, with the following guests:

- Kate Bell, Child Poverty Action Group (CPAG)
- Emma Stewart, Women Like Us
- Stephen Evans, Working Links
- Chris Walsh, Wise Owls
- Karl Murray, Black Training and Enterprise Group (BTEG)

For the transcript see:

<http://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=255&MIId=4600&Ver=4>.

19 March 2013, with the following guests:

- Dr Deirdre Hughes OBE, DMH Associates
- Clare Arnold, Skills Funding Agency
- Neil Roberts, Skills Funding Agency
- Brenda Cabras, Prospects

- Paul McKeown, Jobcentre Plus
- Ian Ashman, London Enterprise Panel Employment and Skills Working Group
- For the transcript see:
<http://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=255&Mid=4601>.

Informal meetings

The Committee Chair and/or Scrutiny Manager held informal meetings with:

- A group of National Careers Service sub-contractors
- Holly Hardisty, CBI
- Cllr Linda Taylor, LB of Merton and National Careers Council
- Steve Kerr, London Voluntary Services Council (LVSC)

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